realization. As an immediate relief, RBI has taken the following measures during last few months:-

(i) Enhancing the period of pre-shipment and post-shipment Rupee Export Credit by 90 days each;

(ii) Reducing CRR, SLR, Repo rate and Reverse Repo rate, with a view to increase liquidity to the Banks;

(iii) Enhancing the limit of Export Credit Refinance (ECR) facility for commercial banks to 50% of the outstanding Rupee Export Credit:

(iv) Increasing the time period of export realization for non-status holder exporters to 12 months.

Government has also taken the following decisions to provide additional support to exporters:-

(i) Interest subvention of 2% has been provided to the following labour intensive sectors:

Textiles (including Handlooms), Handicrafts, Leather, Gems and Jewellery, Marine Products and SMEs.

(ii) Export duty on export of Iron ore fines withdrawn and for iron ore lumps reduced to 5%;

(iii) Additional funds of Rs. 1100 crores provided to clear the backlog claims of TED/CST/Duty Drawback on deemed exports;

(iv) Additional funds of Rs. 1400 crores provided to clear the backlog of TUF scheme claims;

(v) Additional funds of Rs. 350 crores provided as export incentives.

(vi) Extension of Rs. 350 crores back up cover to ECGC for issuance of Credit Guarantee to exporters.

Decline in export of textiles and garments

*133. SHRI T.T.V. DHINAKARAN: Will the Minister of TEXTILES be pleased to state:

(a) whether export of textiles and garments has decreased in the last six months;

(b) if so, the reasons therefor;

(c) whether Government is aware that many workers have lost their jobs in the textile cities like Tirupur in Tamil Nadu, etc.; and

(d) if so, what action has been taken in this regard?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) As per the latest provisional data available with the Government, the textiles and garments (including handicrafts,

coir and jute) exports during the first four months of the current financial year (April-July) have shown growth of over 15% in US dollar terms over the textiles and garments exports during the corresponding period of preceding financial year. However, imports data of US, major market for India's textiles and clothing has shown a decline of 0.8%, in imports of textiles and clothing from India during January-September, 2008.

(b) Some of the reasons attributable to this decline are the financial sector meltdown and economic slow down in international markets, increased cost of production because of in creasing raw material costs, power and other input costs which have affected the profitability of textiles and garments units in India and their exports. The liquidity crunch is another factor that is affecting the industry.

(c) The Government is seized of the submissions of the industry and trade associations regarding potential loss of employment in the textiles and clothing industry consequential to declining sales in domestic and international markets. However, no specific or definite numbers have been reported so far. Additional problems of the industry in Tamil Nadu on account of the precarious power situation have also added to the misery of the textiles and garments workers.

(d) Some of the steps taken by the Government to support the textiles and garments industry include the following:

- DEPB Scheme extended till May 2009.
- Income Tax benefit to 100% EOUs Under Section 10B of I.T. Act, being extended by Govt. for one more year, beyond 31.3.2009.
- Customs duty payable under EPCG scheme reduced from 5% to 3%.
- Average export obligation under EPCG for Premier Trading Houses shall, as an option, be calculated; based on the average of last 5 years export, instead of the present 3 years.
- Exports made towards fulfillment of export obligation under EPCG Scheme shall be eligible for incentives/rewards under promotional schemes.
- In case of textile and granite sector EOUs, payment of only excise duty on DTA sale. In case the use of duty paid imported inputs in up to 3% of the FOB value of exports.
- An enhanced duty credit scrip of 2.5% (instead of the normal 1.25% under FPS) would be allowed for export of High value added manufactured products.
- Inclusion of 10 more countries within the ambit of Focus Market Scheme.
- Measures to reduce transaction cost to the exporters and procedural simplification have also been incorporated.